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15 JUL 1964

MEMORANDUM FOR: Executive Director-Comptroller  
SUBJECT : Reduction in Force  
REFERENCE : O/DCI Action Memo 397 (30 June 1964)

25X9 1. This memorandum is for your information and responds to para. 3 of AM 397 requesting DDI to identify the organizational components affected by the cut in the T/O of the Directorate of Intelligence from its present [REDACTED] in FY 1965 and to [REDACTED] in FY 1966 (while exempting NPIC from reduction.) 25X9

WHERE WE PLAN TO CUT

25X9 2. In view of this directive to cut [REDACTED] positions now and another [REDACTED] less than a year hence, we consider it only prudent to determine where the entire reduction might be taken. 25X9

3. The specifics of the FY66 reduction will depend in part upon developments arising during FY65, including the effect of finding ways to incorporate NPIC in the T/O base from which reductions can come. There are, for example, common elements between NPIC and OCR which need careful study. Moreover, PID/NPIC, the CIA departmental support component of NPIC, may well be a preferable source of positions over the analytical effort which PID was created to support.

25X9 4. In view of the cut of [REDACTED] positions taken by OCR last year, and the modest level at which ONE has consistently been staffed, it will not be possible to absorb the major portion of the [REDACTED] in any single office or by eliminating any single function or two. A number of valuable programs will therefore be affected, some seriously, in every kind of evaluative intelligence activity. (See Tab A for present DDI manpower commitments to national intelligence; USIB services of common concern; Agency intelligence; and Agency services of common concern. See Tab B for the specific impact of the proposed cut upon these intelligence programs.) 25X9

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5. The tentative FY 1965 cuts, together with an indication of the organizational component where the FY 1966 cuts are likely to come, are as follows:

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	FY 1965	FY 1966	TOTAL
OBI			
OCI			
OCR			
ONE			
OO			
ORR			
CGS			
ODDI (ex CGS)			
PID/NPIC			
NPIC (ex PID)			
TOTAL			

#### GENERAL IMPACT OF PROPOSED CUT

6. Excepting NPIC, DDI personnel constitute [redacted] of the Agency total. Yet we are now expected to take [redacted] of an Agency-wide cut of [redacted] positions. We believe this to be ill-advised, not from DDI's point of view, though cuts are never pleasant, but from the Government's and from DCI's point of view because of their increasing demands and indications that our intelligence output is of national significance.

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7. Again excepting NPIC, resources placed at the disposal of the DDI have been progressively reduced. In net terms we have lost over [redacted] in the last 10 years.

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8. In the face of this decline we have had to pick up extensive commitments without being permitted to drop any significant tasks. For example, in recent years legitimate requests for economic and military analysis, and reports of current policy interest produced by ORR on these subjects have more than doubled. Even with present strength needed specific research is delayed, canceled, or not undertaken for lack of capability.

9. There has also been a very considerable increase in the volume and variety of intelligence information requiring processing (in many cases also translation), evaluation and collation in order to meet these demands as well as our Community commitments of common concern. (See Tab C for increase in information requiring analysis since 1955.)

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10. We should also note that these reductions will have an adverse effect upon our efforts to improve our information handling capability. We had estimated a minimal requirement of 20 to 30 people in OCR alone to meet the need for indexing and key-punching in tests beginning in September. This Project CHIVE requirement was to be met out of the OCR T/O. The present cut thus jeopardizes a project in which we have already invested much effort, money and manpower, and is inconsistent with our instruction to build a first-rate information system (Action Memo 375).

11. Going to the relative merits of major Agency activity, we believe it an error to augment programs involving the expenditure of funds for technical intelligence at the expense of an already relatively modest analytical and evaluative program upon which the key intelligence judgments must ultimately depend. Added collection means more flow into the system, requiring more guidance, more processing, more evaluation, more analysis, more reporting, all or much of which must come from the DDI (as our experience with NPIC has shown).

12. Finally, and let there be no illusions about this, the year ahead will find us forced to identify individuals who are not marginal performers, but who in the new situation will be surplus to our needs despite all the steps we plan to take to place them. These we shall be obliged to recommend for separation.

13. In short, we believe there now exists an imbalance in Agency programs which the portion of the cut assigned to DDI accentuates to the detriment of the over-all intelligence effort.

SIGNED

RAY S. CLINE  
Deputy Director (Intelligence)

Attachments:

- Tab A: Present DDI Manpower Commitments to Intelligence Programs
- Tab B: Specific Impact of Cut in DDI on National and Agency Programs
- Tab C: Percent Increase in Intelligence Information Requiring Analysis since 1955

cc: DCI  
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TAB B

SPECIFIC IMPACT OF CUT IN DDI  
ON NATIONAL AND AGENCY PROGRAMS

NATIONAL INTELLIGENCE

- Reduction of production in OCI resulting in inability to meet the accelerated schedule for the NIS only recently approved by USIB. A reduction in OBI's key role in the NIS program largely to be reflected in production delays and in a drop in quality control.

USIB SERVICES OF COMMON CONCERN

- The exploitation of foreign language publications will be reduced by 10%, as will translation service. Even with success at contracting out some of this work, the net effect will be to provide Community analysts with less coverage (already highly selective), have it less tailored to needs, more condensed than at present, and less timely (adding 1-2 weeks to production time).

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- [REDACTED] will be reduced by 10%, mainly in the SET field. Unique reference service on international conferences will be abolished.

STATSPEC

- Contact collection from private citizens or organizations and with public officials serving as sources will be reduced by 10%, including the closing of the [REDACTED]

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- Economic research and analysis will be reduced 10%. This will eliminate all commodity studies on the Free World, virtually all industry studies on Communist economies, and would require some cutback in aggregative research. Primary impact would be in reduction of support for DCI, the U.S. Advisory Committee on Export Policy, the Economic Defense Advisory Committee, the U.S.-Soviet Exchange Program, and the Clandestine Services.

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#### AGENCY (DEPARTMENTAL) PRODUCTION

- Geographic research will be reduced by 10%, thereby reducing the effort on the USSR (by 15%), Far East (by 12%), and Europe (by 20%). This will decrease operational support to DD/P and DD/S&T, and cut back work on the Army's USSR mapping project (using TKH) by 1/3.
- Basic Handbooks produced by OCI and ORR for the [REDACTED] DDP will have to be cut out altogether.
- We had planned to augment Military-Economic Research and will still endeavor to do so in view of the importance of this work to Mr. McNamara's efforts in cost effectiveness. If we are unsuccessful in increasing this program we plan to cut out military research on Free World forces and concentrate on the USSR.

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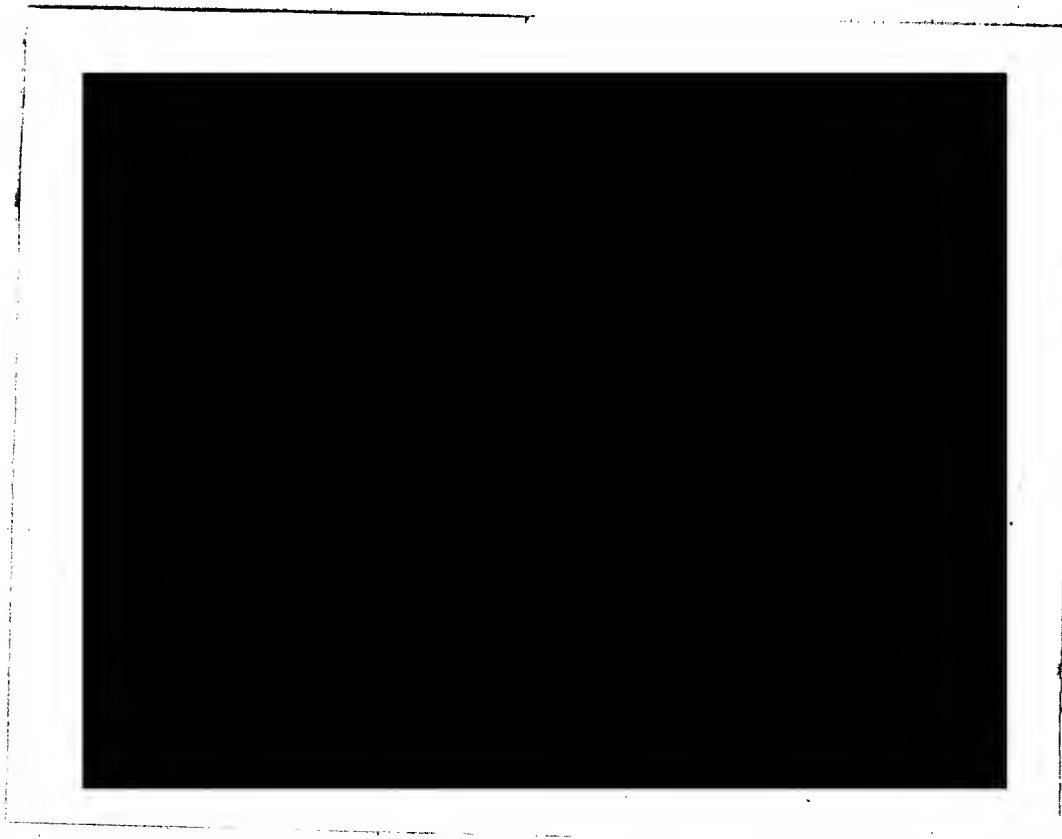
#### AGENCY SERVICES OF COMMON CONCERN

- DDI Operations Center concept will be scrapped and an attempt will be made to salvage some aspects of it by augmenting the OCI Watch.
- Cartographic and graphic services in support of map production programs, Clandestine Services counterinsurgency programs, publications, and briefings will be reduced slightly where we had planned to increase them.
- Film reference service to the Community, and in particular to Training and the Clandestine Services will be reduced.
- Personality and Ground photo reference service in support of the Community and in particular NPIC and Biographic Register will be so reduced as to make probable the entire elimination of this unique service and its valuable holdings.

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TAB C

PERCENT INCREASE IN INTELLIGENCE INFORMATION REQUIRING  
ANALYSIS SINCE 1955  
(1955 used as index of 100)



ILLEGIB

Comparative Percentage Decreases  
in DDI Personnel Ceiling

1955	100%	1960	93%
56	100%	61	93%
57	101%	62	93%
58	96%	63	90%
59	94%	64	90%